ODS-25

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

PATENT APPLICATION

Applicants	:	Masood Garahi et al.
Application No.	:	09/825,537 Confirmation No.: 9788
Filed	:	April 2, 2001
For	:	SYSTEMS AND METHODS FOR PLACING PARIMUTUEL WAGERS ON FUTURE EVENTS
Group Art Unit	:	3628
Examiner	:	Nga B. Nguyen

New York, New York
September 1, 2006

Mail Stop AF
Hon. Commissioner for Patents
P.O. Box 1450
Alexandria, Virginia 22313-1450

PRE-APPEAL BRIEF REQUEST FOR REVIEW

Sir:

Pursuant to 1296 Off. Gaz. 2 (July 12, 2005) and the January 10, 2006 Extension of the Pilot Pre-Appeal Brief Conference Program, applicants request review of the final rejection of claims 1-34 in the above-identified application. No amendments are being filed with this Request. This Request is being filed with a Notice of Appeal.

Arguments begin on page 1 of this Reply.

ARGUMENTS

I. Summary of final Office Action

The Examiner finally rejects claims 1-34 under 35 U.S.C. § 103(a) as being unpatentable over Mindes et al. U.S. Patent 5,842,921 (hereinafter "Mindes") in view of Van Horn et al. U.S. Patent 6,631,356 (hereinafter "Van Horn").

II. Summary Of Arguments

For the purposes of this Request, applicants will specify the clear error in the rejections of claims 1-34. Namely, applicants will show that the Examiner's proposed modification of Mindes with the teachings of Van Horn fails to teach each and every element of applicant's claimed invention and that there is insufficient motivation to modify Mindes with the teachings of Van Horn. Applicants reserve the right to present additional arguments subsequent to the decision of the panel review.

III. The Rejection Of Independent Claims 1 And 18

The Examiner rejects claim 1 and 18 under 35 U.S.C. § 103(a) as being unpatentable over Mindes in view of Van Horn. The Examiner's rejection is respectfully traversed.

Independent claims 1 and 18 are directed to a method and system for wagering on a future race using an interactive wagering system. A user is provided with an ability to place a wager in a first parimutuel wagering pool for the future race and is provided with an ability to select a wager type for the wager from a plurality of wager types. A second parimutuel wagering pool is provided for the future race using the interactive wagering system. The second parimutuel wagering pool is separate from the first parimutuel wagering pool whereby odds of the first parimutuel wager pool are calculated using only wagers placed in the first parimutuel wagering pool and odds of the second parimutuel wagering pool are calculated using only wagers placed in the second parimutuel wagering pool. The first and the second parimutuel wagering pools accept wagers of the same selected type and the second parimutuel wagering pool closes after the first parimutuel wagering pool closes.

Mindes refers to a system and method for wagering at fixed handicaps and/or odds on sporting events. Mindes discusses balancing betting pools to minimize the financial exposure of entities that accept wagers. See, e.g., col. 4:12-17. This is accomplished by controlling the terms such as betting odds and/or handicaps for the contestants such that bettors are encouraged to place bets that will bring the betting pools into balance. See, e.g., col. 4:7-17. Mindes' fixed terms betting system is different than a parimutuel system. See col. 2:32-44.

Van Horn is directed to aggregating the demand for products by forming online buying groups. Van Horn states that a buying group "is formed for the specific purpose of purchasing a particular product . . . by defining a start time, end time, critical mass, any minimum number of units offered, any maximum number of units offered, starting price and product cost curve" (Abstract). Van Horn has absolutely nothing to do with wagering or betting.

A. Mindes And Van Horn Fail To Show Or Suggest All The Features Of Applicants' Claimed Invention

It is well-established that "to establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art" (MPEP § 2143.03). In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). However, the Examiner's proposed modification of Mindes with the teachings of Van Horn fails to show or suggest at least applicants' claimed features of 1) providing a parimutuel wagering pool and 2) providing first and second parimutuel wagering pools for a future race.

i. Mindes Fails To Show Or Suggest Providing A Parimutuel Wagering Pool

The Examiner states that Mindes discloses a wagering pool. Applicants' claimed invention, however, requires providing a parimutuel wagering pool. In stark contrast to applicants' claimed invention, Mindes describes a fixed terms betting system. In the background of the invention, Mindes acknowledges that fixed terms betting "is different than the situation in race track betting where a parimutuel system is used" (col. 2:39-40). In fixed terms betting, the odds or handicap of the wager is known at the time it is placed. See col. 2:32-34. In a parimutuel pool, the odds for a wager are only known "after all wagers have been placed" (Mindes, col. 2:43-44). Accordingly, Mindes fails to show or suggest providing a parimutuel wagering pool as required by applicants' claimed invention.

Moreover, Mindes teaches away from parimutuel wagering. Mindes states that "[t]he culture of sports betting is such that the player wants to know the odds or handicap (point spread) of the wager at the time it is placed (fixed terms betting)" (col. 2:32-34).

Accordingly, even if Mindes' fixed terms wagering pools were modified with the teachings of Van Horn as proposed by the Examiner, the combination would fail to show or suggest providing a parimutuel wagering pool as required by applicants' claimed invention. For at least this reason, this rejection should be withdrawn.

ii. Mindes Fails To Show Or Suggest Providing First And Second Parimutuel Wagering Pools For A Future Race

The Examiner contends that Mindes provides multiple wagering pools for a future race in which a user can place a wager. The Examiner's contention is respectfully traversed.

Mindes states that his system "maintains one or more pools for each event upon which bets are being accepted. Every event has a different pool for each handicap being offered" (col. 8:9-11). Mindes provides basketball as an exemplary sport that uses different handicaps. However, "[t]hose sports which do not use handicaps (baseball, boxing, etc.) are treated as if the handicap were zero so only have one pool" (col. 8:19-21, emphasis added).

Mindes fails to show or suggest that handicaps are used with future races. Accordingly, Mindes also fails to show or suggest providing first and second wagering pools for a future race.

Moreover, Mindes' only mention of races is in his background of the invention. Mindes states that fixed terms betting, which the type of system Mindes describes, "is different

than the situation in race track betting where a parimutuel system is used" (col. 2:39-40). Accordingly, Mindes teaches away from using his alleged invention with future races.

Accordingly, even if Mindes' wagering pools were modified with the teachings of Van Horn as suggested by the Examiner, the combination would fail to show or suggest providing first and second parimutuel wagering pools for a future race as required by applicants' claimed invention. For at least this independent reason, this rejection should be withdrawn.

B. There Is Insufficient Motivation To Modify Mindes With The Teachings Of Van Horn

The Examiner has failed to provide sufficient motivation for modifying Mindes with the teachings of Van Horn. See In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998) ("When a rejection depends on a combination of prior art references, there must be some teaching, suggestion, or motivation to combine the references"). See also MPEP §§ 2142 and 2143.01. The Examiner contends that it would be obvious to modify Mindes with the teachings of Van Horn "for the purpose of providing the user with the ability to place a wager in a plurality of wagering pools that have different schedules to open and close" (final Office Action, pp. 3-4).

Van Horn, however, unlike Mindes, has absolutely nothing to do with wagering or betting. Rather, Van Horn is directed to forming buying groups for purchasing products. As explained in Van Horn, a merchant can identify a product to be featured in a buying group and also specifies a minimum and maximum number of units available for sale. See col. 11:8-17. The merchant also specifies a start and end time for the buying group. See col. 11:14. The Examiner has provided no motivation why one skilled in the art would look to the product buying pools of Van Horn to modify the wagering pools of Mindes to include different end times. In Van Horn, a limited number of product units are offered to be sold in a buying group. As long as additional units are available, a merchant can continue to create additional buying groups for that product. This would result in multiple buying groups with different end times. In Mindes, a wagering pool accepts unlimited wagers until some time prior to the completion of a sporting event. However, once that sporting event concludes, the outcome is known and wagers can no longer be placed.

Accordingly, the structure and function of the wagering pools in Mindes and the buying groups of Van Horn are different. Furthermore, Van Horn is not in the field of wagering and the Examiner failed to provide any motivation why one skilled in the art would look to Van Horn to modify the wagering pools of Mindes. Without some objective evidence of a motivation to combine, this obviousness rejection is the "essence of hindsight" reconstruction, the very "syndrome" that the requirement for such evidence is designed to combat, and

insufficient as a matter of law. In re Dembiczak, 50 U.S.P.Q.2d 1614, 1617-1618 (Fed. Cir. 1999).

Applicants submit that the only suggestion or motivation for modifying Mindes with the teachings of Van Horn is provided by the teachings of applicants' own disclosure. Without a proper motivation for combining the references, the Office Action has "simply take[n] the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability," a practice that is insufficient as a matter of law. Id.; see also In re Lee, 277 F.3d 1338, 1344 (Fed. Cir. 2002) ("[i]t is improper, in determining whether a person of ordinary skill would have been led to a combination of references, simply to use that which the inventor taught against its teacher"). Thus, applicants respectfully submit that their own disclosure has been impermissibly relied on in hindsight to see a suggestion in Van Horn that simply is not present.

Therefore, for at least this addition independent reason, this rejection should be withdrawn.

IV. The Rejection Of Dependent Claims 2-17 And 19-34

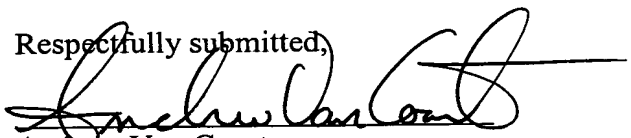
The Examiner rejects dependent claims 2-17 and 19-34 under 35 U.S.C. § 103(a) as being unpatentable over Mindes in view of Van Horn. The Examiner's rejection is respectfully traversed.

Claims 2-17 and 19-34 depend from independent claims 1 and 18. Applicants request that the rejection of these claims be withdrawn for at least the same reasons why the rejection of independent claims 1 and 18 should be withdrawn.

V. Conclusion

In view of the foregoing, claims 1-34 are in condition for allowance. This application is therefore in condition for allowance. Reconsideration and allowance of the application are respectfully requested.

Respectfully submitted,



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